

AMENDED IN ASSEMBLY JANUARY 7, 2004

AMENDED IN ASSEMBLY APRIL 21, 2003

AMENDED IN ASSEMBLY MARCH 27, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 216**

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**Introduced by Assembly Member Chan**  
**(Coauthors: Assembly Members Hancock, Koretz, Lieber, and**  
**Vargas)**  
**(Coauthor: Senator Soto)**

January 29, 2003

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An act to add Article 6 (commencing with Section 23500) to Chapter 3 of Division 9 of the Business and Professions Code, and to add Chapter 4.5 (commencing with Section 11759.7) to Part 1 of Division 10.5 of the Health and Safety Code, relating to alcohol recovery and prevention.

### LEGISLATIVE COUNSEL'S DIGEST

AB 216, as amended, Chan. Alcohol: fee: youth alcohol recovery and prevention.

Existing law imposes various duties on the State Board of Equalization in connection with the administration of various taxes and fees.

The Alcoholic Beverage Control Act imposes various functions and duties on the Department of Alcoholic Beverage Control with respect to the sale of alcoholic beverages and related licensing matters, and requires the department to collect various fees in connection therewith. Existing law also imposes various duties on the State Department of

Alcohol and Drug Programs, including a program for the alcohol and drug treatment of adolescents.

This bill would require the State Board of Equalization to collect a fee, as specified, from any beer manufacturer, distilled spirits manufacturer, beer importer, and distilled spirits importer, with specified exemptions. This bill would require the State Department of Alcohol and Drug Programs to distribute, upon appropriation, the fees to counties to fund alcohol recovery and prevention centers in this state in accordance with a specified allocation methodology. This bill would require that the centers be administered by the counties in which they are established, thereby imposing a state-mandated local program. This bill would require that all fees, and earnings thereon, be expended, upon appropriation by the Legislature, only for purposes of this bill, as specified.

This bill would become operative only if no bill from the 2003–04 Regular Session that imposes or increases any surtax on alcoholic beverages is chaptered. This bill would only be operative for years, commencing with 2005, for which the Director of Finance determines that a prudent reserve threshold is met, as specified.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. *This act shall be known and may be cited as the*  
2 *“Casey L. Goodwin Memorial Law.”*

3 SEC. 2. *The Legislature finds and declares all of the*  
4 *following:*

5 (a) *Casey LeAnne Goodwin, was killed by an 18-year-old*  
6 *underage drunk driver on March 13, 2003, at the age of 20 years,*  
7 *near Kettleman City, California, while traveling home to Exeter to*  
8 *celebrate her mother’s birthday.*

9 (b) *Casey LeAnne Goodwin was a local leader of underage*  
10 *drinking prevention programs, such as Friday Night Live, in her*



1 *community of Exeter, California, as well as an avid swimmer and*  
2 *member of her college's water polo team, and planned to be a*  
3 *teacher.*

4 *(c) Casey LeAnne Goodwin's life exemplified leadership and*  
5 *commitment to her community on the issue of preventing underage*  
6 *drinking, and was tragically cut short by the very problem she*  
7 *sought to reduce.*

8 SEC. 3. Article 6 (commencing with Section 23500) is added  
9 to Chapter 3 of Division 9 of the Business and Professions Code,  
10 to read:

11  
12 Article 6. Fee on Brewers and Distillers  
13

14 23500. Except as provided in Section 23501, the State Board  
15 of Equalization shall collect a fee from any beer manufacturer,  
16 distilled spirits manufacturer, beer importer, and distilled spirits  
17 importer licensed pursuant to this division.

18 23501. The fee imposed by this article does not apply to, and  
19 no fee imposed by this article may be assessed upon, beer  
20 manufacturer licensees who produce 60,000 barrels or less a year.

21 23502. The State Board of Equalization shall, by regulation,  
22 establish specific fee amounts to be assessed on licensees included  
23 in this article. To the maximum extent practicable, the fees shall  
24 be assessed on the basis of both of the following:

25 (a) The amount of the licensee's product that is consumed by  
26 underage youth.

27 (b) The licensee's product "market share" of total alcohol  
28 consumed by underage youth.

29 23503. The State Board of Equalization, in cooperation with  
30 the Department of Alcoholic Beverage Control or any other state  
31 agency deemed appropriate by the board, shall conduct an annual  
32 survey of youth alcohol consumption practices and alcoholic  
33 beverage brand usage to support its calculation of a licensee's fee  
34 amount under Section 23502.

35 23504. For the calendar year 2004, the total fee collected by  
36 the State Board of Equalization may not exceed \$100 million or  
37 the total retail revenues generated by underage alcohol  
38 consumption as estimated by the State Board of Equalization,  
39 whichever is lower.

1     23505. The fees collected under this article shall be deposited  
2 in the Youth Alcohol Prevention and Recovery Fund, which is  
3 hereby created in the State Treasury. Moneys in the fund shall,  
4 upon appropriation by the Legislature, be expended exclusively  
5 for the purposes of implementing this article and Chapter 4.5  
6 (commencing with Section 11759.7) of Part 1 of Division 9 of the  
7 Health and Safety Code, including the State Board of  
8 Equalization's costs in administering this article and the costs of  
9 the State Department of Alcohol and Drug Programs in  
10 administering Chapter 4.5 (commencing with Section 11579.7) of  
11 Part 1 of Division 9 of the Health and Safety Code. All interest  
12 earned on the moneys that have been deposited into the Youth  
13 Alcohol Prevention and Recovery Fund shall be retained in that  
14 fund.

15     23506. No fee shall be collected from a corporation if the  
16 State Board of Equalization determines that underage drinkers did  
17 not consume that corporation's alcoholic beverage products. The  
18 intent of the corporation not to promote illegal sales of its products  
19 to underage youth may not be considered in making this  
20 determination.

21     23507. The fees collected pursuant to this article and Chapter  
22 4.5 (commencing with Section 11759.7) of Part 1 of Division 9 of  
23 the Health and Safety Code, and the earnings therefrom, shall be  
24 used solely for the purposes of implementing this article and  
25 Chapter 4.5 (commencing with Section 11759.7) of Part 1 of  
26 Division 9 of the Health and Safety Code. The State Board of  
27 Equalization may not collect fees pursuant to this section in a total  
28 amount that exceeds the amount reasonably anticipated by the  
29 State Board of Equalization to fully implement this article and  
30 Chapter 4.5 (commencing with Section 11759.7) of Part 1 of  
31 Division 9 of the Health and Safety Code. No funds other than the  
32 fees collected under this article, including the earnings thereon,  
33 may be expended for the purposes of this article and Chapter 4.5  
34 (commencing with Section 11759.7) of Part 1 of Division 9 of the  
35 Health and Safety Code.

36     23508. Regulations adopted for fee assessment and collection  
37 pursuant to this section are exempt from any review by the Office  
38 of Administrative Law as may otherwise be required by law.

39     ~~SEC. 2.—~~



1 SEC. 4. Chapter 4.5 (commencing with Section 11759.7) is  
2 added to Part 1 of Division 10.5 of the Health and Safety Code, to  
3 read:

4  
5 CHAPTER 4.5. YOUTH ALCOHOL RECOVERY AND PREVENTION

6  
7 11759.7. For purposes of this part:

8 (a) “Department” means the State Department of Alcohol and  
9 Drug Programs.

10 (b) “Youth” shall mean those individuals under 21 years of  
11 age.

12 (c) Except where the context requires otherwise, the definitions  
13 set forth in Division 9 (commencing with Section 23000) of the  
14 Business and Professions Code shall apply to this chapter.

15 11759.8. (a) The department shall establish youth alcohol  
16 recovery and prevention centers in this state and shall distribute,  
17 upon appropriation by the Legislature, the fee revenues, including  
18 the earnings thereon, collected under Article 6 (commencing with  
19 Section 23500) of Chapter 3 of Division 9 of the Business and  
20 Professions Code, among the counties to fund those centers, in  
21 accordance with the standard allocation methodology agreed to by  
22 the department and the County Alcohol and Drug Program  
23 Administrator’s Association of California, and described in the  
24 February 1997 Allocations Report to the Legislature.  
25 *Notwithstanding the preceding sentence, 3 percent of the revenues*  
26 *allocated to a county may be used by that county for purposes of*  
27 *existing programs for youth alcohol recovery and prevention.*

28 (b) The centers shall be administered through the county  
29 departments of alcohol programs. The purpose of the centers is to  
30 support youth alcohol prevention, and youth recovery from  
31 problems related to alcohol consumption. A local planning process  
32 shall be utilized to develop the centers and a local youth committee  
33 shall be established to oversee the centers. The centers shall  
34 provide:

35 (1) Community-based youth-driven prevention activities  
36 including, but not limited to, educational support, youth  
37 mobilization, leadership development, skills assessment and  
38 development, and vocational training and job placement, provided  
39 these activities are designed to prevent youth alcohol-related  
40 problems.

1 (2) Alcohol-free environments for youth and their families that  
2 promote peer interactions, mutual support, and 12-step based  
3 assistance for youth with chronic or acute alcohol problems.

4 (3) Nonresidential and nonclinical services for youth and their  
5 families.

6 (4) Meeting space for Alcoholic Anonymous and other mutual  
7 self-help meetings that support youth recovery.

8 (5) Referral services for youth who require therapeutic  
9 interventions other than peer-based recovery services as a result of  
10 their consumption of alcoholic beverages.

11 (6) Positive, alcohol-free social and recreational activities for  
12 youth that support the peer-based recovery services.

13 (7) Environmental prevention activities, and educational and  
14 media programs that support youth recovery and counter messages  
15 that encourage youth alcohol consumption.

16 (8) Collaboration with other community organizations, and  
17 educational and training opportunities for youth that develop  
18 healthy lifestyles free of alcohol consumption.

19 (9) *Education for youth drunk driving prevention.*

20 (c) Participation in any activities or the use of any services  
21 provided at the centers shall be voluntary. The centers shall  
22 provide the services listed in subdivision (b) as a means to  
23 encourage healthy lifestyles among participating youth. The  
24 centers shall keep records of group activities, but may not keep any  
25 records of the status or activities of any single individual. The  
26 centers may not conduct drug testing, maintain individual case  
27 files, or develop individual progress notes or treatment plans.  
28 Individual sessions with participating youth provided by trainers,  
29 peers, sponsors, or staff shall be for the purposes of promoting  
30 healthy life choices or recovery plans, and may not include formal  
31 therapeutic interventions. If a center determines that a youth  
32 participant requires therapeutic intervention, it shall make a  
33 referral to an appropriate community agency for formal diagnosis  
34 and treatment.

35 11759.9. The department shall promulgate regulations to  
36 ensure that the centers fulfill the functions described in Section  
37 11759.8. The department shall review existing state regulations  
38 and policies to determine whether state regulations or policies  
39 hamper or inhibit the responsible operation of these programs. The  
40 department shall issue a biennial report to the Legislature that

assesses the costs, quality, and effectiveness of the centers' recovery and prevention programs. This report shall be sent to all local health departments and be made broadly available to the public.

11759.10. The centers established and maintained pursuant to this chapter, including the administration, development, and oversight of those centers, shall be fully supported from the fees collected pursuant to Article 6 (commencing with Section 23500) of Chapter 3 of Division 9 of the Business and Professions Code. Notwithstanding the scope of activity mandated by this chapter, in no event may this chapter be interpreted to require services necessitating expenditures in any fiscal year in excess of the fees, and earnings therefrom, collected pursuant to Article 6 (commencing with Section 23500) of Chapter 3 of Division 9 of the Business and Professions Code. This chapter shall be implemented only to the extent fee revenues pursuant to Article 6 (commencing with Section 23500) of Chapter 3 of Division 9 of the Business and Professions Code are available for expenditure for purposes of this chapter.

SEC. 3. This act shall become operative only if no bill from the 2003–04 Regular Session of the Legislature that imposes or increases any surtax on alcoholic beverages is chaptered, and, if no such bill is chaptered, shall be operative only for each year beginning on or after January 1, 2005, for which the Director of Finance certifies pursuant to subdivision (b) that the prudent reserve threshold has been met.

(b) (1) No later than November 1 of 2004, and on or before each November 1 thereafter, the Director of Finance shall do both of the following:

(A) Estimate whether, as of June 30 of the current fiscal year, the amount in the Special Fund for Economic Uncertainties, as established pursuant to Section 16418 of the Government Code, will exceed 3 percent of General Fund Revenues for the current fiscal year.

(B) Certify his or her estimate to the Governor and each house of the Legislature.

(2) For purposes of this subdivision, the Director of Finance certifies that the prudent reserve threshold has been met when he or she certifies, pursuant to paragraph (1), that the amount in the Special Fund for Economic Uncertainties as of June 30 of the

1 current fiscal year is estimated to exceed 3 percent of General Fund  
2 revenues for the current fiscal year.  
3 SEC. 4. No reimbursement is required by this act pursuant to  
4 Section 6 of Article XIII B of the California Constitution because  
5 a local agency or school district has the authority to levy service  
6 charges, fees, or assessments sufficient to pay for the program or  
7 level of service mandated by this act, within the meaning of  
8 Section 17556 of the Government Code.

